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SUBJECT: KENYA PRESIDENT REOPENS PARLIAMENT: FOCUSES ON  
DEVELOPMENT

This message is sensitive but unclassified. Please handle accordingly.

¶1. (SBU) SUMMARY: Opening the final session of Parliament before December's general elections, President Kibaki on March 20 delivered a speech strongly focused on his government's development accomplishments. While he noted that the government will reintroduce the anti-money laundering bill and highlighted the urgent need for improved security in the country, Kibaki avoided making any specific commitment to constitutional or electoral reform. END SUMMARY.

¶2. (SBU) On March 20, President Kibaki presided over the opening of Parliament delivering what has become the government's re-election refrain: "look what we've done for you." Kibaki's remarks mirrored a publication released on February 22 detailing what the government of Kenya has accomplished for its citizens. The annual address is traditionally an opportunity for the president to set the government's policy and legislative agenda for the coming year. For 2007, Kibaki announced ambitious development goals, especially in marginalized regions, while acknowledging areas where more attention is required, such as insecurity, the judicial system, and transparency.

Poverty, Development and the Economy  
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¶3. (U) The bulk of Kibaki's speech was devoted to highlighting the government's development accomplishments, in particular its well-regarded free primary education program. Kibaki also noted successes in rural electrification and agricultural production, and announced the government's intention to improve the socio-economic status of women through a women's enterprise development fund. Included in the list of government successes were initiatives for national inclusivity. Kibaki noted his administration's gains in development in northern and coastal Kenya (two historically neglected regions). The president added that the government is developing an "Economic Recovery Program" for all of Coast Province. (NOTE: Coast Province is one of the more politically contested provinces. END NOTE.)

¶4. (U) In support of his government's development record, Kibaki highlighted a number of economic indicators. With lower interest rates, a stable exchange rate, and "relatively" stable inflation "confidence is at an all-time

high among local and international investors," Kibaki declared. The president cited growth in several sectors, including tourism, which he said earned Kenya 56 billion shillings (approximately USD 800 million), and communications, with over 7 million cellphone subscribers. Kibaki announced that the government is developing "Vision Twenty Thirty," a strategy for the country to sustain 10 percent average growth over the next 25 years.

#### Troublesome Issues

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15. (SBU) Kibaki addressed a number of contentious issues, including corruption, the judiciary, insecurity, and constitutional reform.

-- To eliminate the "perception of corruption," the President pledged to introduce amendments to make officials' wealth declarations public. Kibaki also acknowledged the strong performance of "watchdog committees," a reference to the Public Accounts Committee's investigation into the massive Anglo Leasing corruption scandal and the successful tabling in parliament of the subsequent report. (NOTE: The debating of the report in parliament despite protest from some members of government was a victory for checks and balances. END NOTE.)

-- The president stated that the government would propose a bill for improved judicial autonomy. In addition, to increase the judiciary's capacity, he announced an increase in the number of judges from 60 to 200, of which 100 will be in the High Court (bringing to total to 150). (COMMENT: While the addition of 140 more judges would help relieve the stifling judicial backlog and prison congestion, without a corresponding increase in the number of courthouses and

prosecutors, it is meaningless. END COMMENT.)

-- Kibaki acknowledged the serious problem of insecurity, commenting that "Kenya is yet to become a 24-hour economy, largely because of concerns about security."

-- Despite optimistic media reports the morning of the speech that the President would announce a constitutional reform plan in response to opposition demands, he simply repeated the anodyne promise to "facilitate a dialogue on the...way forward." (COMMENT: With most Kenyans fatigued of constitutional reform after years of false starts, Kibaki's dance around the issue only provoked the attention of the political class and civil society. END COMMENT.)

#### Legislative Agenda

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16. (SBU) Among the government's legislative priorities this session, Kibaki specifically pledged to re-introduce the long-awaited anti-money laundering bill (a top U.S. Mission CT priority) and table a political parties bill. (NOTE: The draft bill is yet to be published but is likely to contain provisions for party financing and an increased number of nominated parliamentary seats for women. END NOTE.) The president stated that the government will formalize the creation of 62 new districts. (COMMENT: Which will include, consequently, the appointment of 62 new District Commissioners - a useful patronage opportunity as the election approaches. END COMMENT.)

17. (SBU) COMMENT: Kibaki has proposed an ambitious agenda for this session of parliament during which politicians on all sides are sure to be distracted by election campaigns. Although forthright in acknowledging some of the challenges his government faces from insecurity and regional inequities, Kibaki avoided making any specific commitment to constitutional reform. With respect to Mission priorities, we can be pleased that Kibaki made explicit mention of anti-money laundering legislation (a top U.S. Mission counter-terrorism priority), raising its profile with Kenyan parliamentarians and giving us an open door through which to

lend our support. END COMMENT.  
RANNEBERGER